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The Conference Board

A Topical Report from the Consumer Research Center December 1990

# Special Consumer Survey Report

**Spending Plans for Christmas 1990 Lower Than Last Year**

The typical American household plans to spend about $325 on Christmas gift-giving this year—half expect to spend less, the other half more. This is estimated to add up to an aggregate consumer expenditure of somewhat over $37 billion. This sum is roughly 4 percent less than last year's estimate, which was based on an identical study. However, in assessing this year's results, it should be noted that the survey was conducted at a time when consumers were worried about the crisis in the Middle East, and concerned about pending increases in taxes resulting from the new Federal Budget. More broadly, the economy has been sluggish for some months now, and consumer confidence is a good deal lower than it was last year at this time. Still, it may be that when the Christmas lights are lit and the Carols are being sung, the gift-giving impulse will be somewhat more generous than indicated in this year's survey. Also, this year's Christmas shopping season will be slightly longer than that of last year.

The survey of Christmas spending intentions covers a representative national sample of 5,000 households. The survey was conducted in the first half of November for The Conference Board's Consumer Research Center by National Family Opinion, Inc. Among other findings:

- Slightly less than a third of all households plan to spend under $200 for Christmas gifts this year. A little bit less than half that number expect to spend less than $100, a little more than half between $100 and $200.
- Between 40 and 45 percent of all households indicate that they will spend between $200 and $500 for Christmas presents.
- About one out of every four households say that their outlays for Christmas gifts this year will exceed $500. This is a slightly smaller fraction than recorded in last year's survey.
- Still, households with intentions to spend over $500 will account for over half of total expenditures for Christmas gifts this year.
- Homes in the age class 45-54 will tend to spend more than any other age group. Relatively large outlays are also reported by those aged 35-44. These are the years in which a very high proportion of homes include children. Also, at this stage income is above average.

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- Young households, those under age 25, tend to spend less than average for gift giving but the figure increases to more than average in the 25-34 age bracket.
- At the other end of the age scale, among those over 55, spending plans for Christmas gifts are well below par.

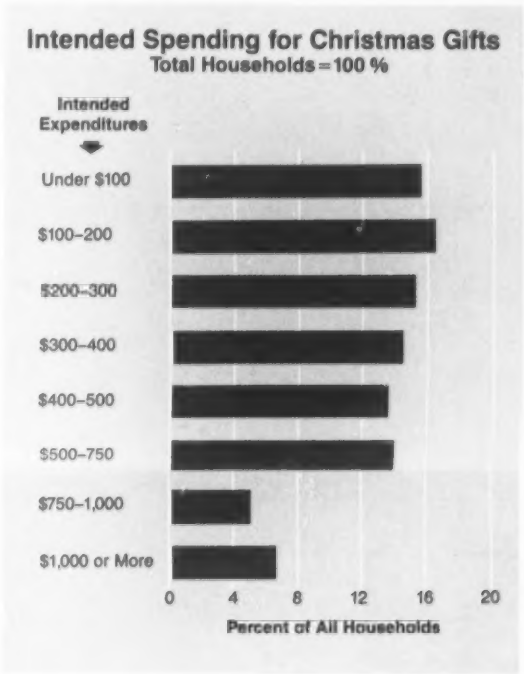
*How much will you be spending on gifts this Christmas?**

| | |
|---|---|
| **TOTAL U.S** | **$325** |
| **REGION** | |
| Northeast | $357 |
| Midwest | 315 |
| South | 311 |
| West | 315 |
| **AGE OF HOUSEHOLD HEAD** | |
| Under 25 | $316 |
| 25-34 | 343 |
| 35-44 | 374 |
| 45-54 | 384 |
| 55-64 | 312 |
| 65 and over | 211 |
| **HOUSEHOLD INCOME** | |
| Under $15,000 | $158 |
| $15,000-$25,000 | 271 |
| $25,000-$35,000 | 359 |
| $35,000-$50,000 | 405 |
| $50,000 and over | 488 |

*These figures are median planned household expenditures on Christmas gifts for 1990. For each group, half of all households expect to spend more than the figure shown, half intend to spend less.

- The level of spending also varies a good deal by geography. In the Northeast region, the median expenditure runs almost 10 percent above the national average. In the South, it is some 5 percent below the national figure.
- In the Midwest and the West, the level of spending is marginally below the national level.
- Spending for gifts in the Western region is estimated to run at about the same level this year as last year. In the Northeast, however, sales will be over 5 percent below a year ago, primarily because of regional economic difficulties.
- In the South and the Midwest, Christmas sales may be off by as much as 3 to 5 percent as compared with last year.
- Spending plans, of course, increase with earnings. In the $50,000 plus bracket, the median planned expenditure is close to $500.
- For those with incomes of $35,000 to $50,000, typical Christmas spending plans run about $400.

Fabian Linden

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